

STATEMENT OF EMERGENCY

907 KAR 1:913E

(1) This emergency administrative repeals 907 KAR 1:900 (KyHealth Choices benefit plans.) The Department for Medicaid Services (DMS) is eliminating the four (4) benefit plans established in 907 KAR 1:900 in concert with adding new eligibility groups mandated by or authorized by the Affordable Care Act. Previously, when an individual qualified for Medicaid coverage the individual would be assigned to a benefit plan which contained service limits and cost sharing unique to that plan. The four (4) benefit plans vary little and DMS is establishing one (1) benefit package for all Medicaid recipients including the new groups mandated or authorized by the Affordable Care Act. The Affordable Care Act mandates that effective January 1, 2014, the eligibility standard for certain categories of individuals will be a modified adjusted gross income. Additionally, the Affordable Care Act created a new eligibility group comprised of former foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster care while receiving Medicaid coverage. That eligibility group is also mandated to become effective January 1, 2014. DMS is repealing the four (4) benefit plans in concert with the new eligibility groups and requirements established by the Affordable Care Act.

(2) As Medicaid coverage under the new rules is mandatory January 1, 2014 this repealer administrative regulation must also be effective January 1, 2014.

(3) This emergency administrative regulation shall not be replaced by an ordinary administrative regulation as this emergency administrative regulation repeals 907 KAR 1:900 leaving nothing to be repealed by an ordinary administrative regulation.

(4) No ordinary administrative regulation is being promulgated.

Steven L. Beshear
Governor

Audrey Tayse Haynes, Secretary
Cabinet for Health and Family Services

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Commissioner's Office

4 (Emergency Repealer)

5 907 KAR 1:913E. Repeal of 907 KAR 1:900.

6 RELATES TO: 42 U.S.C. 1396a

7 STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), 13A.310(a)

8 NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family
9 Services, Department for Medicaid Services has responsibility to administer the Kentucky
10 Medicaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation,
11 to comply with any requirement that may be imposed, or opportunity presented, by
12 federal law to qualify for federal Medicaid funds. This administrative regulation, in
13 accordance with KRS 13A.310(3)(a), repeals 907 KAR 1:900. 907 KAR 1:900 is being
14 repealed because it establishes four (4) benefit plans to which Medicaid recipients have
15 been assigned and the Department for Medicaid Services is eliminating the four (4)
16 benefit plans and establishing, effective January 1, 2014, a uniform structure of services
17 and cost sharing for Medicaid recipients.

18 Section 1. 907 KAR 1:900, KyHealth Choices benefit plans is hereby repealed.

907 KAR 1:913E

REVIEWED:

Date

Lawrence Kissner, Commissioner
Department for Medicaid Services

APPROVED:

Date

Audrey Tayse Haynes, Secretary
Cabinet for Health and Family Services

907 KAR 1:913E

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall, if requested, be held on February 21, 2014 at 9:00 a.m. in the Health Services Auditorium, Health Services Building, First Floor, 275 East Main Street, Frankfort, Kentucky, 40621. Individuals interested in attending this hearing shall notify this agency in writing by February 14, 2014 five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until February 28, 2014. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Tricia Orme, tricia.orme@ky.gov, Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40601, Phone: (502) 564-7905, Fax: (502) 564-7573.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation Number: 907 KAR 1:913E
Cabinet for Health and Family Services
Department for Medicaid Services
Agency Contact Person: Stuart Owen (502) 564-4321

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation, in accordance with KRS 13A.310(3)(a), repeals 907 KAR 1:900, KyHealth Choices benefit plans. 907 KAR 1:900 establishes four (4) benefit plans, which varied little, to which Medicaid recipients were assigned. Effective January 1, 2014, the Department for Medicaid Services (DMS), is eliminating the four (4) plans and establishing a uniform benefit and cost sharing structure for Medicaid recipients.
 - (b) The necessity of this administrative regulation: The administrative regulation is necessary to repeal 907 KAR 1:900, KyHealth Choices benefit plans. 907 KAR 1:900 is being repealed because it establishes four (4) benefit plans to which Medicaid recipients are assigned and DMS is eliminating the four (4) benefit plans. DMS is eliminating the four (4) benefit plans established in 907 KAR 1:900 in concert with adding new eligibility groups mandated by or authorized by the Affordable Care Act. Previously, when an individual qualified for Medicaid coverage the individual would be assigned to a benefit plan which contained service limits and cost sharing unique to that plan. The four (4) benefit plans vary little and DMS is establishing one (1) benefit package for all Medicaid recipients including the new groups mandated or authorized by the Affordable Care Act. The Affordable Care Act mandates that effective January 1, 2014, the eligibility standard for certain categories of individuals will be a modified adjusted gross income. Additionally, the Affordable Care Act created a new eligibility group comprised of former foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster care while receiving Medicaid coverage. That eligibility group is also mandated to become effective January 1, 2014. DMS is repealing the four (4) benefit plans in concert with the new eligibility groups and requirements established by the Affordable Care Act. Additionally, there is an administrative and Medicaid Management Information System (MMIS) burden associated with preserving different plans as well as an administrative burden on providers and managed care organizations. Given that the plans vary little it is impractical if not inefficient to preserve the plans.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of the authorizing statutes by eliminating an administrative regulation which established four (4) benefit plans to which Medicaid recipients have been assigned as DMS is eliminating the four (4) benefit plans in concert with comporting with Affordable Care Act eligibility changes.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation conforms to the

content of the authorizing statutes by eliminating an administrative regulation which established four (4) benefit plans to which Medicaid recipients have been assigned as DMS is eliminating the four (4) benefit plans in concert with comporting with Affordable Care Act eligibility changes.

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: This is not an amendment to an existing administrative regulation.
 - (b) The necessity of the amendment to this administrative regulation: This is not an amendment to an existing administrative regulation.
 - (c) How the amendment conforms to the content of the authorizing statutes: This is not an amendment to an existing administrative regulation.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This is not an amendment to an existing administrative regulation.
- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: This repealer administrative regulation affects Medicaid recipients in that it eliminates the four (4) benefit plans in which Medicaid recipients have been assigned for the past several years; however, the plans vary little and eliminating the plans is expected to have little or no actual impact on recipients as all recipients will have the same benefit plan going forward. Medicaid providers are affected in that when they serve a Medicaid recipient, the provider won't have to determine the benefit plan that applies to the given recipient.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment. No action is required of regulated entities or individuals.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3). No cost is imposed on regulated entities or individuals.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3). Medicaid providers will benefit by not having to determine the benefit plan of each Medicaid recipient when they provide services to the recipient.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: The administrative regulation imposes no cost on the Department for Medicaid Services.
 - (b) On a continuing basis: The administrative regulation imposes no cost on the

Department for Medicaid Services.

- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No funding is necessary to implement the administrative regulation.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No fee nor funding increase is necessary to implement the administrative regulation.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: The administrative regulation neither establishes nor increases any fee.
- (9) Tiering: Is tiering applied? Tiering is not applied as this is a repealer administrative regulation.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Administrative Regulation Number: 907 KAR 1:913E

Agency Contact Person: Stuart Owen (502) 564-4321

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department for Medicaid Services will be affected by this administrative regulation.
2. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. Not applicable, this administrative regulation is being repealed. This administrative regulation authorizes the action taken by this administrative regulation.
3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
 - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation will generate no revenue for state or local government.
 - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will generate no revenue for state or local government.
 - (c) How much will it cost to administer this program for the first year? This administrative regulation imposes no administrative cost on the Department for Medicaid Services.
 - (d) How much will it cost to administer this program for subsequent years? This administrative regulation imposes no administrative cost on the Department for Medicaid Services.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): _____

Expenditures (+/-): _____

Other Explanation: